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DEPARTMENT OF STATE

Memorandum of Conversation

INFORMAL UNCLEARED

DATE: June 18, 1964

SUBJECT: Importance and Future of US Expert Advice in Libya

PARTICIPANTS: W. Averell Harriman, Under Secretary for Political Affairs
Frederick Chapin, Special Assistant, M
Henry J. Tasca, Deputy Assistant Secretary, AF
James J. Blake, Acting Director, AFN
Grant V. McClanahan, OIC Libyan Affairs

David E. Bell, Administrator, AID
Edmond C. Hutchinson, Assistant Administrator, AA/AFR
Carroll S. Hinman, Director, AFR/MED

COPIES TO : AF - Mr. Tasca
AF/EX - Mr. Carey
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Governor Harriman who had convened the meeting, said that his concern with continuing US expert economic and technical advice to Libya was due to his conviction that we must not neglect our interests in that country, which were "fantastic" since they included not only the Air Base but our stake in Libya's oil industry and the fact that Libya was a friendly government. We must, therefore, use every means at our disposal to maintain our influence in Libya and to exclude domination by Nasser or the Soviet Bloc. Governor Harriman added that he wished to see the following aims achieved:

1. Enough funds should be available from some source to see that there were an adequate number of US technicians in Libya. Because of the higher cost of US technicians as compared with other nationalities it would obviously be necessary to "top off" their salaries, otherwise the Libyans would be tempted to utilize Yugoslavs and other non-US foreign nationals.

2. The top economic people in the Embassy should include at least one senior officer with adequate staff so that we would be able to exercise US influence at the top level on the Libyan Government's economic planning.

3. The above two goals should be pushed for an indefinite period that is to say as long as the problem of maintaining our own influence and of keeping out UAR and Soviet Bloc influence continued. In any case, there was to be no change without consultation with the political bureau in the State Department.

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Governor Harriman said that some of the people in private industry with whom he had discussed the possible usefulness of a new advisory foundation being established in Libya with US oil company support did not seem sanguine of the success of such a foundation. They thought that the Libyans might not be willing to accept advice from such a source. In any case, the foundation idea was untried at this point, and while he did not wish to write it off, he could not take it as a definite answer to our needs.

Mr. Bell said that while he agreed with Governor Harriman's comments on Libya, he hoped that the situation of AID would also be appreciated. They could not go before Congress and ask for funds to assist Libya when Libya had adequate funds of its own. He emphasized that AID's relative success this year in getting its program approved by Congress had been partly due to AID's willingness in accordance with high level understandings to say that there were some countries, and Libya was one of them, in which AID's operations could be phased out in the future. It seemed to him that the proposed foundation might be the answer. In any case, AID by financing contract technicians into the calendar year 1966 would be providing time for a transition.

When Mr. Tasca suggested that the new Economic Counselor, assigned to the Embassy in Tripoli from the AID mission in Tunis, Mr. Heuser, should be funded by AID, Mr. Hutchinson asked why this was desired by AF. Mr. Tasca replied that one of the reasons was because we believed it would tend to increase AID's commitment to continued interest in Libya. Mr. Bell agreed that AID should fund Mr. Heuser through fiscal year 1965. He added, however, that he did not think Mr. Heuser should be designated as AID Director; a more appropriate title in terms of the size of the US economic program in Libya would be that of AID Representative. (Mr. Bell cited as analogous situations the arrangements in both Venezuela and Mexico.) Mr. Tasca indicated that AF would see no problem in the designation preferred by Mr. Bell. In concluding, Mr. Bell indicated that he fully agreed with Governor Harriman's view that the decision with respect to the US AID program to Libya should periodically be reviewed in terms of the circumstances at the time. He suggested that the most appropriate time to hold the first review would be around December in view of the budget preparations which would then be taking place.

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